

**REGULAR MEETING
BOARD OF TRUSTEES
CITY OF NEW ORLEANS EMPLOYEES' RETIREMENT SYSTEM
VIRTUAL
SEPTEMBER 15, 2020**

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Trustees Present

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Ms. Courtney B. Bagneris, Active Employees' Representative
Ms. Marina M. Kahn, Retired Employees' Representative
Mr. Norman L. White, Treasurer/CFO

Others Present:

Jesse Evans, Jr., Director, Employees' Retirement System
Ian Jones, AndCo, Consultant
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Michael Williams, Phelps Dunbar
Gwelda Swilley, AndCo, Consultant
Bernard Robertson, Robertson Wealth Advisors
Chris Reynolds, Cornerstone
Rick Van Nostrand, Cornerstone
John Campbell, Cornerstone

The chairman called the meeting to order at 9:32am after roll call.

MONTHLY REPORTS

Minutes of Regular Meeting – August 15, 2020 Meeting Minutes – A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve the August 15, 2020 meeting minutes. The motion passed with five in favor (Dr. Chase, Ms. Bagneris, Ms. Hudson, Mr. White, and Ms. Kahn)

Board to Ratify Retirements A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the retirements for the month of September. The motion passed with five in favor (Dr. Chase, Ms. Bagneris, Ms. Hudson, Mr. White, and Ms. Kahn)

Member Refund Report - Marked received.

Transfer Report - Marked received.

Deceased Report - Marked received

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Date for the next regular meeting - The Board's next regular meeting is scheduled for Wednesday, October 21st at 9:30am.

Investment Committee - AndCo Consulting - Ian Jones

Mr. Jones introduced Cornerstone (Mr. Reynolds, Mr Van Nostrand, and Mr. Campbell). Cornerstone presented their large-cap core equity strategy. They compared their performance to the S&P 500 and Russell 1000 Value. They have trailed the S&P 500 but outperformed the value benchmark since inception. As an accommodation due to their difficult performance vs. the S&P 500 index, Cornerstone offered to reduce their fee to 0.25%. Mr. Jones will reach out to Mr. Reynolds to effectuate that change.

Mr. Jones discussed the July performance report noting value added results relative to their respective index from Wedge, First Eagle and Wasatch. Mr. Jones noted that AndCo is recommending that clients with Vanguard index exposure should consider the comparable Fidelity index funds which have lower expense ratios. Mr. Jones will profile the Vanguard versus Fidelity index funds at the October meeting. Ms. Armstrong indicated that we should look at the investment policy statement to determine what the policy statement says with respect to the use of index fund managers relative to whether a RFP will need to be issued if a changed to a new fund family was decided.

Mr. Jones provided an update on the Manager of Emerging Managers RFP. The deadline for submitting to the RFP is September 18, 2020. Nine managers have indicated their intention to respond. Questions posed by managers and answers provided by NOMERS were posted to the retirement system's website by the September 4th deadline. Ms. Bagneris asked a question related to adding a potential conflicts of interest question to the RFP. Mr. Evans noted that we would not be able to add a question at this point in the RFP process. However, clarifying questions could be asked of candidates that are identified for further consideration.

Mr. Jones reviewed Millennium's total fees since inception - two layers of fees - 1) pass-through fees which cover all of Millennium's expenses and 2) performance based incentive fees paid to the underlying managers. Millennium is closing the current share class which provides 25% quarterly liquidity and moving to the new share class, which provides 5% quarterly liquidity. The board has two options with respect to that liquidity: 1) reinvest in the new share class with 5% quarterly liquidity or 2) invest the liquidity elsewhere. Mr. Jones discussed the concept of committing additional dollars to Millennium in order to approximate a \$10 million total Millennium allocation.

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Investment Committee - AndCo Consulting - Ian Jones - cont.

A motion was made by Dr. Chase and seconded by Ms. Bagneris to reinvest the \$1 million of estimated liquidity in the new 5% quarterly liquidity share class and to commit additional dollars in order to increase the Millennium allocation to \$10 million. The motion passed with five in favor (Dr. Chase, Ms. Bagneris, Ms. Hudson, Mr. White, and Ms. Kahn)

Budget Committee

Mr. Evans provided the board with information needed to access the trustee education sessions provided by the Louisiana Association of Public Employees' Retirement Systems (LAPERS), which will be done online only this year.

Member Relations Committee

No new update. Ms. Bagneris and Mr. Evans discussed holding a future virtual meeting for members after a final proposed plan change and retirement incentive plan ordinance(s) has been drafted.

Contract Compliance Committee

Nothing new to report.

Headline Risk Committee

Nothing new to report.

Governance Committee

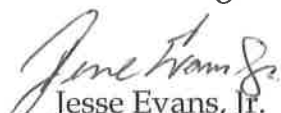
Nothing new to report.

Staffing Committee

Nothing new to report.

There being no further business, a motion was made by Ms. Hudson and seconded by Ms. Bagneris to adjourn. The motion passed unanimously (Dr. Chase, Ms. Bagneris, Ms. Hudson, Ms. Kahn, and Mr. White)

The meeting ended at 10:57 am


Jesse Evans, Jr.
Director